

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: SB 163 SLS 09RS 281
Bill Text Version: ENGROSSED
Opp. Chamb. Action: w/ HSE COMM AMD
Proposed Amd.:
Sub. Bill For.:

Table with 2 rows and 2 columns. Row 1: Date: June 17, 2009 1:41 PM, Author: MARIONNEAUX. Row 2: Dept./Agy.: Revenue, Analyst: Greg Albrecht. Subject: School Tuition/Expense Tax Deduction.

TAX/INCOME/PERSONAL EG1 NO IMPACT GF RV See Note Page 1 of 1
Deletes a requirement that, to obtain the deduction for elementary and secondary school expenses, payments for school uniforms, certain instructional materials, and school supplies, the payment must be made to public schools; requires actual
Current law provides an income tax deduction, enacted in 2008, of up to \$5,000 per child for certain school expenses for nonpublic, public, and home-schooled children. Public school expenses eligible for deduction were specified.
Proposed law allows up to \$5,000 of deduction per child to one or more taxpayers if the child qualifies as a dependency exemption on the taxpayer's Louisiana income tax return for either the taxable year or the prior taxable year.
Effective for amounts paid on and after January 1, 2009.

Table with 7 columns: EXPENDITURES, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total. All values are \$0.

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The estimated fiscal effect of the deductions allowed by Act 8 of 2008 ES2 is some \$23 million of exposure in FY10, and is based on only one deduction of up to \$5,000 being allowed per eligible child. The bill appears to be assuring that the deduction is limited to one maximum amount per child by requiring the child to be a dependency exemption on the taxpayer's income tax return. Only in cases where a child's dependency deduction is annually alternated among taxpayers would both be able to take a deduction for the same child simultaneously. This seems unlikely to be very common and the Department of Revenue indicates that it would resist such an interpretation. The fiscal impact of the bill is likely to be zero or minimal.

Senate Dual Referral Rules House
[] 13.5.1 >= \$500,000 Annual Fiscal Cost [] 6.8(F) >= \$500,000 Annual Fiscal Cost
[] 13.5.2 >= \$500,000 Annual Tax or Fee Change [] 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease
H. Gordon Monk
H. Gordon Monk
Legislative Fiscal Officer